

Message Text

CONFIDENTIAL POSS DUPE

PAGE 01 PRAGUE 00194 281157Z

43

ACTION EUR-12

INFO OCT-01 IO-10 ISO-00 FCSC-01 EB-07 TRSE-00 H-01 STR-01

L-02 COME-00 OPIC-03 AID-05 CEA-01 CIAE-00 FRB-03

INR-07 NSAE-00 RSC-01 CIEP-01 SP-02 LAB-04 SIL-01

SAM-01 OMB-01 SS-15 NSC-05 PA-01 PRS-01 USIA-06 /093 W

----- 062726

R 281100Z JAN 75

FM AMEMBASSY PRAGUE

TO SECSTATE WASHDC 7537

INFO AMEMBASSY BONN

USMISSION GENEVA

C O N F I D E N T I A L PRAGUE 194

GENEVA FOR AMBASSADOR SHERER

E.O. 11652: GDS

TAGS: ETRD, EEWT, CZ

SUBJECT: US/CZECHOSLOVAK TRADE RELATIONS: CONVERSATION WITH
MINISTER OF FOREIGN TRADE BARCAK

1. DURING ANNUAL RECEPTION HOSTED BY FEDERAL MINISTER OF
FOREIGN TRADE ANDREJ BARCAK FOR PRAGUE DIPLOMATIC CORPS
AND FOREIGN COMMERCIAL REPRESENTATIVES, EMBOFF HAD
OCCASION TO SPEAK WITH MINISTER BARCAK ALONE FOR ABOUT
FIVE MINUTES. CONVERSATION CENTERED PRIMARILY ON AFTER-
EFFECTS OF TRADE ACT OF 1974 AND ONLY SECONDARILY ON
FAILURE TO SIGN CLAIMS SETTLEMENT.

2. AFTER WORD OR TWO OF PLEASANTRIES, BARCAK WENT RIGHT
TO THE POINT: HE WAS NO PROPHET, "ONLY A FORMER LUTHERAN,"
BUT HE RECALLED THE VISIT TO PRAGUE OF TWO U.S. SENATORS
(ROBERT GRIFFIN AND J. GLENN BEALL) TWO YEARS AGO
AND THEIR CALL AT HIS MINISTRY. BARCAK REMEMBERED
SAYING DURING MEETING WITH SENATORS THAT THERE WAS
"NOTHING IN THE DRAFT U.S. TRADE LAW" FOR CZECHOSLOVAKIA.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PRAGUE 00194 281157Z

THE MINISTER SAID THAT HIS COUNTRY WAS NOT THEN, AND
IS NOT NOW, INTERESTED IN TRADING WITH ANY COUNTRY ON

A THREE-YEAR BASIS. CZECHOSLOVAKS NEEDED LONG-TERM TRADING PARTNERS ON WHOM THEY COULD DEPEND OVER A PERIOD OF MANY YEARS, NOT JUST A FEW. AT THIS, ACCORDING TO BARCAK, THE SENATORS HELD UP THEIR HANDS (HE MOTIONED APPROPRIATELY) AND EXCLAIMED THAT THEY WERE NOT BUSINESSMEN, ONLY POLITICANS. BARCAK SAID HE KNEW THEN THAT THERE WOULD BE VERY LITTLE OF BENEFIT FOR CZECHOSLOVAKIA IN PASSAGE OF THE U.S. TRADE LAW. (AS IT HAPPENED, THE EMBOFF HAD BEEN PRESENT AT BARCAK'S MEETING WITH SENATORS GRIFFIN AND BEALL AND DOES NOT RECALL LATTER EVER RAISING THEIR HANDS IN THE MANNER DESCRIBED. IT IS POSSIBLE, OF COURSE, THAT THEY MAY HAVE MADE A STATEMENT SIMILAR TO THE ONE BARCAK REMEMBERS ALTHOUGH IN CONTEXT IT PROBABLY WOULD NOT MEAN TO AN AMERICAN WHAT IT APPARENTLY DID TO HIM.)

3. BARCAK SAID THAT HE HAD RETURNED FROM THE FEDERAL REPUBLIC OF GERMANY A DAY OR TWO BEFORE WHERE, AS HE WAS SURE HIS LISTENER KNEW, HE HAD BEEN ENGAGED IN TALKS WITH THE WEST GERMAN GOVERNMENT ON AN AGREEMENT TO COOPERATE IN ECONOMIC AND TECHNOLOGICAL MATTERS. BARCAK SAID THE WEST GERMANS, BECAUSE OF SEVERE ECONOMIC PROBLEMS IN FRG, HAD BEEN VERY RELUCTANT TO DISCUSS "LIBERALIZATION" OF NUMBER AND QUANTITY OF GOODS WHICH COULD BE IMPORTED FROM CZECHOSLOVAKIA DURING PERIOD OF THE AGREEMENT. BUT AFTER A PERIOD OF HARD BARGAINING, THE FRG NEGOTIATORS FIANLLY AGREED TO RELAX RESTRICTIONS ON 95 PERCENT OF CZECH PRODUCTS ON THEIR LIST. THIS ACTION, IN BARCAK'S VIEW, WAS LAUDABLE AND STATESMANLIKE; THE WEST GERMANS WERE THE KIND OF TRADING PARTNERS WITH WHOM HE LIKED TO NEGOTIATE.

4. BARCAK CONCLUDED BY SAYING THAT LAST THING HIS COUNTRY WANTED TO GET INVOLVED WITH WAS A TRADING AGREEMENT WHICH COULD BE ABROGATED OVERNIGHT BECAUSE SOME HIGH GOVERNMENT FIGURE WOKE UP AFTER A BAD NIGHT AND DECIDED THE CZECHS WERE SELLING TOO MUCH TO HIS COUNTRY. THUS, WHAT HAPPENED ON U.S. TRADE LAW WAS THE WORST THING IN HIS VIEW; THE FAILURE TO GO THROUGH WITH THE CLAIMS
CONFIDENTIAL
CONFIDENTIAL

PAGE 03 PRAGUE 00194 281157Z

AGREEMENT, WHILE A BLOW, WAS ONLY OF SECONDARY IMPORTANCE. AT THIS POINT THE CONVERSATION ENDED.

5. DURING HIS PREPARED SPEECH TO THE ASSEMBLED GROUP, BARCAK MADE ONLY FOLLOWING REFERENCE TO RELATIONS WITH U.S. DURING 1974: "THE NEW UNITED STATES TRADE ACT FAILS TO CREATE FAVORABLE TERMS FOR THE NORMALIZATION -- SOUGHT BY CZECHOSLOVAKIA -- OF ECONOMIC AND TRADE RELATIONS BETWEEN CZECHOSLOVAKIA AND THE UNITED STATES."

6. COMMENT: BARCAK'S REMARKS, ALTHOUGH BLUNT AND DIRECT, ARE GENERALLY CHARACTERISTIC OF THE MAN. THE EMBOFF WITH WHOM HE SPOKE, HOWEVER, HAD CONVERSED BRIEFLY WITH HIM ON TWO OR THREE EARLIER OCCASIONS AND HAD NEVER NOTICED HIM TO BE QUITE SO TALKATIVE AND CHARGED UP. NOTEWORTHY ALSO WAS ORDER OF IMPORTANCE BARCAK ATTACHED TO PROVISIONS OF TRADE ACT AND TO THE CLAIMS AGREEMENT. AS MINISTER OF FOREIGN TRADE, OF COURSE, HE COULD BE EXPECTED TO SEE THINGS FIRST IN TERMS OF HIS OWN PRIORITIES AND EXPANSION OF TRADE NO DOUBT MEANS MORE TO HIM THAN RETURN OF CZECH GOLD. WITH REGARD TO EC, UNDER EC GUIDELINES IN EFFECT SINCE JANUARY 1, IT IS UNCLEAR WHAT PLACE DISCUSSIONS OF REDUCTIONS OF RESTRICTIONS ON IMPORTS OF CZECHOSLOVAK GOODS INTO FRG HAD IN TALKS LEADING TO A LONG-TERM AGREEMENT BETWEEN CZECHOSLOVAKIA AND FRG IN FIELD OF ECONOMIC (AS OPPOSED TO COMMERCIAL), INDUSTRIAL AND TECHNOLOGICAL COOPERATION. BE THAT AS IT MAY, THE MINISTER'S COMMENTS ON WEST GERMANY'S VALUE AS A TRADING PARTNER FLY IN FACE OF LINE EMBASSY HAD BEEN GETTING FROM SEVERAL SOURCES IN BOTH CZECHOSLOVAK GOVERNMENT AND FOREIGN TRADE APPARATUS OVER PAST 18 MONTHS TO THE EFFECT THAT CZECHOSLOVAKS DESIRED TO REDIRECT SOME OF THEIR TRADE IN WEST AWAY FROM THE FRG. WE CAN ONLY CONCLUDE THAT BARCKA'S DISAPPOINTMENT OVER THE TRADE ACT OF 1974 MUST HAVE BEEN KEEN INDEED TO HAVE TRIGGERED SUCH FULSOME COMMENTS ON A CHANCE MEETING WITH AN OFFICIAL AMERICAN. UNDER THE CIRCUMSTANCES, IT IS NOTEWORTHY THAT HIS FORMAL REMARKS TO THE ASSEMBLED GATHERING WERE BRIEF AND RESTRAINED ON THE SUBJECT OF U.S./CZECHOSLOVAK RELATIONS IN 1974.

CONFIDENTIAL

CONFIDENTIAL

PAGE 04 PRAGUE 00194 281157Z

PERRY

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE LAW, FOREIGN RELATIONS, MEETINGS, DEBTS
Control Number: n/a
Copy: SINGLE
Draft Date: 28 JAN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975PRAGUE00194
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750031-0220
From: PRAGUE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750114/aaaaamhv.tel
Line Count: 152
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 08 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08 MAY 2003 by ifshinsr>; APPROVED <12 MAY 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: US/CZECHOSLOVAK TRADE RELATIONS: CONVERSATION WITH MINISTER OF FOREIGN TRADE BARCAK
TAGS: ETRD, EEWT, CZ, US
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006